

Senate Finance and Public Administration Standing Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES – 21 OCTOBER 2008

Human Services Portfolio

Department/Agency: Department of Human Services

Outcome/Output Group: Child Support

Topic: Child Support Compliance

Senator: Siewert

Question reference number: HS20b

Type of question: Written

Date set by the committee for the return of answer: 5 December 2008



Question:

HS20b: A key objective of the child support reforms was to improve compliance with child support obligations. In the three months since stage three of the child support reforms was implemented how has the compliance rate changed on the previous six months and how does it differ across different levels of payment (including for more than \$200 per week net charge).

Answer:

HS20b: Changes to the Child Support Scheme have been implemented in three stages between July 2006 and July 2008. The most significant changes relate to the introduction of a new child support formula that changes the way child support payments are calculated, ensuring more balanced assessments, supporting shared parenting and recognising the costs of contact.

These changes were introduced in July 2008 and insufficient time has passed for the Child Support Program to provide an accurate assessment of the impacts of these changes on overall compliance rates.

As part of the broader reforms to child support, the Australian Government invested \$161.48 million over four years to increase compliance activity. This funding is being used for a large scale compliance enhancement program, which commenced on 1 July 2006.

Between 1 July 2006 and 31 October 2008, the Compliance Program has collected an extra \$151.1 million for CSA Collect customers against an expected return of \$117.5 million. These collections comprise:

- \$49.0 million in Tax Refund Intercepts associated with the Lodgement Enforcement project;
- \$47.6 million from active avoiders through the Intensive Debt Collection project;
- \$20.8 million through litigation;
- \$16.4 million through Income Minimiser investigations;
- \$7.8 million through the application of Departure Prohibition Orders; and
- approximately \$9.5 million through enhanced garnishee arrangements with Centrelink and the Department of Veterans' Affairs

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